

**KENTUCKY BOARD OF EDUCATION
2006 LEGISLATIVE AGENDA PROPOSALS (NOT ADOPTED)**

PRINCIPAL SELECTION

Clarify the language on principal selection to clearly indicate that the superintendent recommends candidates for the position and the council selects from among those recommended.

Rationale: This would continue the most common interpretation of the law prior to the Supreme Court ruling in *Back v. Robinson*. Both the superintendent and the school council should have a common understanding of the criteria for candidate selection and come to a consensus on the best candidate if at all possible. But in any event, the person selected for principal should have the recommendation of the superintendent.

SCHOOL FACILITIES

Growth nickel

Repeal the sunset provision of KRS 157.621 to ensure any eligible district is able to levy the growth nickel if needed for facilities due to unusual growth in student population.

Rationale: Authority to levy the growth nickel as provided in KRS 157.621 has a sunset provision. Authority to continue to allow districts to levy the tax has been contained in every budget bill since the sunset provision became effective. While the growth nickel affects only a few districts, it should be a viable option for those who qualify.

Prevailing wage

Suspend the prevailing wage requirement for school construction for two to five years to study the impact.

Rationale: Since 1996, state law has required construction workers on state, school district or local government public construction projects costing \$250,000 or more to be paid at least the prevailing wage of the locality in which the project is built. Prevailing wage proponents argue that the higher wages result in better quality construction that is built more efficiently by more highly skilled and productive workers. Opponents believe that the law results in higher costs with little evidence of improved quality. Some also argue that it reduces competition because of the limitations placed on the contractor and the increased paperwork.

In December 2001, the Kentucky Legislative Research Commission's Program Review and Investigations Committee completed a study of Kentucky's prevailing wage laws and procedures. The report found "There was substantial evidence that prevailing wage laws did increase the initial costs of construction. It was unclear, however, whether the requirements resulted in higher quality construction." Based on responses to a staff survey to school district superintendents (116 of 176 school districts responding), 95.7% districts reported that prevailing wage had increased the initial cost of construction and

only 4% thought the increased wages improved quality. In addition, the Program Review and Investigations report found that the method for calculating the prevailing wage does not provide representative wages and that the wages are often higher than average wages paid in the geographical area. Other external studies reviewing the impact of prevailing wage on Kentucky school construction have found little or no significant increase in the cost of school construction, but the Program Review and Investigation study notes that several of the studies omitted factors affecting construction costs. As of June 30, 2005, the unmet facility needs of local school districts exceeded \$2.4 billion. With the state's shortage of revenue, it is imperative that all cost savings efforts be utilized. At the end of the two to five-year period of suspension of the requirement, we can more accurately determine the impact of the prevailing wage law.